

LeftBank Records, Inc. d/b/a Beyond Music c/o Ziffren, Brittenham, Branca and Fischer LLP 1801 Century Park West Los Angeles, CA 90067 Attn: Gary Stiffelman, Esq.

VF2. Inc. c/o Myman, Abell, Fineman and Greenspan, LLP 11777 San Vicente Boulevard, Suite 880 Los Angeles, Ca. 90049-5061 Attn: Jeffrey Taylor Light, Esq.

> RE: **BEYOND MUSIC** Recording Agreement

Gentlemen:

The following letter, when executed by all of the parties, will confirm the material terms of the agreement (the "Agreement") between LeftBank Records, Inc. d/b/a Beyond Music ("Beyond," "us" or "we") and VF2, Inc. ("Lender" or "you") in connection with Lender's furnishing the exclusive recording, performing and video services of Gordon Gano and Brian Ritchie collectively p/k/a "Violent Femmes" (sometimes individually and collectively referred to herein as "you" or "Artist").

The parties hereto agree that the material terms of the Agreement between them shall be as follows:

- 1. Territory: North America.
- 2. Recording Commitment:
- Two (2) albums in the initial period ("LP#1" and "LP#2" respectively), with such initial period to end ten (10) months following delivery of LP#2. The parties hereto acknowledge that the albums titled "Freak Magnet" and "Greatest Hits Live" are deemed to be LP#1 and LP#2 respectively.
- Two (2) options. One (1) album in each option period ("LP#3" and "LP#4" respectively), with each period ending ten (10) months after delivery of the Recording Commitment album for the period concerned. Each option hereunder shall be exercised by Beyond by written notice to Lender at any time prior to the date of the expiration of the immediately preceding contract period of the term hereof. Notwithstanding the foregoing, the term hereof shall end on the date ninety (90) days after the initial release in the United States of the last Album of the Recording Commitment provided that with respect to the initial period, the term shall end six (6) months after the release of LP#2 hereunder. Further, notwithstanding the foregoing, Beyond shall only be entitled to exercise its option AW/RS 1171.2.16 May 27, 1999 75447.08

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Sent By: Myman Abell Fineman Greenspan;

(e) The parties hereto agree that "Applicable Members" as used herein shall be deemed to include both Gordon Gano and Brian Ritchie.

15. Other Terms:

- (a) The parties hereto expect to enter into a more formal agreement containing the terms of this Agreement and the standard terms and conditions commonly found in agreements of this type in the United States music industry (the "Long Form Agreement"). Unless and until the Long Form Agreement is entered into, this Agreement shall be the sole and exclusive binding agreement between the parties and it is hereby agreed that any failure or refusal by you, Artist or Beyond to enter into such more formal agreement or to reach an agreement with respect to the provisions thereof shall not in any manner derogate or affect from the enforceability and effectiveness of this Agreement. Beyond shall be entitled to seek injunctive and other equitable relief, in addition to whatever legal remedies are available, to prevent or cure any breach or threatened breach of any of the terms hereof or those contained in the Long Form Agreement.
- This Agreement shall be governed by the laws of the State of California applicable to contracts to be wholly performed therein.
- You warrant and agree that throughout the Territory, Beyond is (subject to the customary exclusions to be negotiated and included in the Long Form Agreement) the sole, exclusive and perpetual owner of all musical recordings by Artist made during the term of this Agreement (whether such recordings feature Artist's solo performances or Artist's performances with others), all videos embodying those recordings and all artwork created for use in connection with those recordings.

LEFTBANK RECORDS, INC.

An Authorized Signatory

An Authorized Signatory

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ARTIST'S ASSENT AND GUARANTY

To induce LeftBank Records, Inc. d/b/a "Beyond Music" ("Beyond") to enter into the foregoing agreement with VF2, Inc. (the "Agreement"):

1. Each member of the Artist:

- represents to Beyond that he has read the Agreement and has consulted with or has had the opportunity to consult with a lawyer chosen by him for the purpose of having the legal effect of each of the provisions contained in the Agreement explained to him;
- assents to the execution of the Agreement and agrees to be bound by all grants, restrictions, and other provisions of it relating to the Artist;
- acknowledges that Beyond will have no obligation to make any payments to the Artist in connection with the services rendered by the Artist or the fulfillment of the Artist's other obligations under the Agreement; and
- agrees that if during the Term of the Agreement the "Furnishing Party" (as defined below) shall cease to be entitled to Artist's recording services, each member of Artist shall, at Beyond's request, take all such steps and actions as shall give to Beyond the same rights, privileges and benefits as Beyond would have had under the Agreement, and such rights, privileges and benefits shall be enforceable on Beyond's behalf against Artist and all the terms and conditions contained in the Agreement shall be effective.

2. Each member of the Artist: (a)

- guarantees, absolutely and unconditionally, the full performance by VF2, Inc. (the "Furnishing Party") of all of the Furnishing Party's obligations under the Agreement;
- agrees to indemnify and hold Beyond harmless from any loss, damage, liability or expense (including but not limited to attorneys' fees and legal expenses) which arise from any failure by the Furnishing Party to fulfill the Furnishing Party's obligations under the Agreement, or which are incurred by Beyond in the enforcement of its rights under this guaranty; and
- shall notify Beyond promptly in writing if the Furnishing Party shall cease to be entitled to Artist's recording services;
- **(b)** The Artist's liability under this guaranty is direct and immediate, and is not conditioned upon the pursuit by Beyond of any remedy it may have against the Furnishing Party. This guaranty shall not be revocable at any time or for any reason, including, without

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limitation, any modification of the Agreement with or without notice to the Artist. No failure by Beyond to exercise any of its rights will operate as a waiver of those rights or any others.

collectively p/k/a "Violent Femmes"

LEFTBANK REGORDS, INC.

An Authorize

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